

## **Xethanol to Acquire Plant in Georgia**

### **Company to Purchase Pfizer Facility through Coastal Xethanol Subsidiary**

(May 24, 2006) Xethanol Corporation (OTCBB:[XTHN](#) - [News](#)), a biotechnology driven ethanol company, announced today that its CoastalXethanol subsidiary has signed a letter of intent with Pfizer, Inc. (NYSE:PFE) to purchase Pfizer's pharmaceutical manufacturing facility located in Augusta, Georgia. While details are yet to be finalized, CoastalXethanol and Pfizer are working together to complete the transaction.

The state of the art, 30 acre site includes: an 89,100 square foot manufacturing facility, a 25,000 square foot warehouse facility, 7,300 square feet of laboratory space, and 16,000 square feet of offices and conference rooms. CoastalXethanol intends to retrofit the site to attain 35 million gallons per year of ethanol production. The facility will produce ethanol from biomass waste streams generated by industrial producers in the surrounding areas. This biomass-to-ethanol facility will be the first of its kind in the region. In addition, CoastalXethanol may produce biodiesel in this facility under Xethanol's sub-license from H2Diesel, Inc.

A finalized agreement would produce up to 100 new jobs in Augusta, and has been embraced by local governmental agencies. "This is a win-win situation for all companies, and we hope the details can be finalized in the near future and Augusta can become the home of CoastalXethanol's signature plant," said Augusta's Mayor Deke Copenhaver.

Mr. d'Arnaud-Taylor, Chairman and CEO of Xethanol commented: "The purchase and conversion of this facility serves as an excellent prototype for our strategy of acquiring existing shuttered industrial plants and converting them to the production of ethanol, biodiesel, and xylitol. Because of the size and existing infrastructure of this facility, it gives Xethanol an ideal platform to launch its initiative in CoastalXethanol's region in a meaningful way. Our technology platform is highly adaptive and we believe this will be the first of several significant acquisitions in the region. The company appreciates Mayor Copenhaver's and the rest of Augusta's local government's enthusiasm and assistance. The local government was quick to grasp that our waste to ethanol technologies not only create renewable energy in the region, but also help solve waste disposal issues associated with the forestry industry."

#### **About Xethanol Corporation**

Xethanol Corporation's goal is to be the leader in the emerging biomass-to-ethanol industry. Xethanol's mission is to optimize the use of biomass in the renewable energy field and convert biomass that is currently being abandoned or land filled into ethanol and other valuable co-products, especially xylitol. Xethanol's strategy is to deploy proprietary biotechnologies that will extract and ferment the sugars trapped in these biomass waste concentrations. Xethanol's strategic value proposition is to produce ethanol and valuable co-products cost effectively with ethanol plants located closer to biomass sources. In Iowa, Xethanol owns two ethanol production facilities, where it is deploying these technologies. For more information about Xethanol, please visit its website at <http://www.xethanol.com>. To receive information on Xethanol in the future, please click on the following link: <http://www.xethanol.com/alerts.htm?b=1387&l=1>

#### **Forward-Looking Statements**

Certain matters discussed in this press release are "forward-looking statements." These forward-looking statements can generally be identified as such because the context of the statement will

include words, such as "expects," "should," "believes," "anticipates" or words of similar import. Similarly, statements that describe Xethanol's future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties, including the financial performance of Xethanol, as appropriate, which could cause actual results to differ materially from those currently anticipated. Although Xethanol believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, it cannot give any assurance that their expectations will be attained. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating any forward-looking statements. Certain factors could cause results and conditions to differ materially from those projected in these forward-looking statements, and some of these factors are discussed below. These factors are not exhaustive. New factors, risks and uncertainties may emerge from time to time that may affect the forward-looking statements made herein. These forward-looking statements are only made as of the date of this press release and Xethanol does not undertake any obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.